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ABSTRACT

This article examines some implications of the Serrano vs Priest decision for Oregon's system of financing public schools. The author presents one alternative financing method -- a Statewide system to assess, collect, and disburse to each district or county an amount equalized on a per student basis. The status of the school financing system in each of the State's 36 counties and some possible variations in both the methods and the extent of the current system arising from adoption of the alternative plan are considered. (Author/JF)

ED 066808

# The California Property Tax Case: Implications for Financing Schools in Oregon

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James M. Burke*

The widespread use of local property taxes to finance local public schools has recently been seriously questioned by the California Supreme Court. The court ruled, in *Serrano v. Priest*,[1] that differentials in school per student expenditure associated with geographic location within the state amounted to denial of the equal protection portion of the 14th Amendment of the U.S. Constitution. The purpose of this report is to examine some implications of the decision that might concern Oregon's elementary and secondary schools.

*Serrano v. Priest*, also referred to as the California Property Tax Case, has prompted a variety of proposals to serve as alternatives to the present methods of financing local public schools. One such alternative, a statewide system to assess, collect and disburse to each district or county an amount equalized on a per student basis, will be examined. The status of the school financing system in each of the state's thirty-six counties, and possible variations in both methods and extent of the current system arising from adoption of the alternative plan, will be considered.

Elementary and secondary school financing in Oregon currently relies upon support from two major sources: (1) the Basic School Support Fund from state funds, and (2) the local property tax levies within a given district. In fiscal year 1970-71 these sources accounted for 21 percent and 74 percent, respectively, of school district revenues. The remaining 5 percent was obtained from other state and federal sources. Any effects that funds other than locally collected property taxes have on a particular district's financing structure will be assumed unchanged.

Locally collected and distributed property taxes accounted for revenues of $341,437,615 in 1970-71. If centrally collected and redistributed, this amount would allow a state-wide per student expenditure of $674.93. Distribution to each county would thus be based on a weighted average daily membership (ADM), a computed average attendance in grades 1-12 for each county. A tax rate of $18.159 per $1,000 of assessed value (AV) on Oregon's assessed real and personal property would be necessary to generate the funds.

Table I contains county data for current per student expenditures (column 3), differentials between current expenditures and the equalized amount (column 4), and current tax rates. It is noteworthy that these data indicate that 20.1 percent of the state's school children, in nine counties, are in programs with expenditure differentials exceeding $100 below the equalized minimum. Of the nine, all except Marion have tax rates below the proposed standard rate of $18.159/$1,000 assessed value. Furthermore, in the group of nine, all but Josephine and Marion counties have per capita true cash values (TCV) of assessed worth in excess of the state-wide per capita TCV of $8,991 [2, p. 49]. Although these counties would gain from a redistribution of tax revenues, the data suggest that the current disparity is not widely based on a lack of resource endowments and thus an inability to pay.

Seven other counties would also gain revenue from a redistribution. Three of this group (Coos, Jackson, Yamhill) have present tax rates above $18.159. Thus, of the sixteen that would gain revenue for increased student expenditure, twelve would also face a tax increase.

The implication of an equalized support plan is that, as well as raising the support levels in sixteen counties, support levels in the remaining twenty counties would fall. This raises the questions of district operation at the lower levels of financial support—especially in cases where the economies of large scale operation are absent—and of what changes in present program structure might be associated with a cut in funds. One might assume that basic programs would remain at the top of priority lists while other programs would be placed in jeopardy. There are however quantitative measures of the effects of an expenditure decrease that are apparent.

Twenty of the state's thirty-six counties now have local property tax support levels in excess of the $674.93 per student expenditure that would be generated by the equal-

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[1] 5 Cal. 3d 684, Pamphlet 25, Sept. 14, 1971 and 5 Cal. 3d 884a, Pamphlet 30, Nov. 4, 1971.

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ized support proposal. Fourteen of the twenty have per capita TCV in excess of the $8,991 state-wide average, but only ten have tax rates that are currently above the equalized level of $18.159. Figures for these counties are also shown in Table I.

It has been suggested that where a county might choose to increase the expenditure levels beyond the equalized amount of $674.93 per student, special assessments within that county should be permitted. This does not contradict the ruling of *Serrano v. Priest* because the initial distribution of funds would presumably equalize disparities in expenditure associated with a county's resources. Column 7, Table I shows the increase in the tax rate per $1,000 of assessed value that would be necessary to raise levies sufficiently to meet current expenditure levels. This assumes each county would be initially taxing at the base rate of $18.159. Column 8, Table I shows the percentage change from current rates if such special assessments were adopted.

Nine of the twenty counties with expenditures exceeding $674.93 have tax rates of more than $20/$1,000 AV. Even if the additional amounts noted in column 7 were paid, seven of these nine counties would realize a tax decrease from their present levels. Among the remaining counties which would face an increase in tax rates, all except four (Josephine, Multnomah, Polk, Union) have per capita TCV's that exceed the state average, most by a substantial amount. This fact would be a major issue in considering the equity of the alternative plan.

*(concluded on page 4)*

**TABLE I**

**Oregon Elementary and Secondary School Attendance, Expenditures and Taxation**

| (1) County | (2) Average Daily Membership (ADM)[a] | (3) Per Student Expenditures 1970-71[b] | (4) Differential between current per student expenditure and equalized amount[c] | (5) Per Capita True Cash Value (TCV)[d] | (6) Current Tax Rate per $1000 of Assessed Value[e] | (7) Additional tax rate per $1000 AV to meet current expenditure[f] | (8) Percentage Change in Current Tax Rates[g] |
|---|---|---|---|---|---|---|---|
| | | ($) | ($) | ($) | ($) | ($) | |
| Baker | 3775 | 722.82 | 47.89 | 13387 | 13.660 | .905 | 39.56 |
| Benton | 10819 | 895.16 | 220.23 | 7097 | 25.376 | 6.243 | (3.84) |
| Clackamas | 43798 | 709.03 | 34.10 | 8509 | 21.973 | 1.072 | (12.48) |
| Clatsop | 5763 | 980.20 | 305.27 | 12161 | 16.314 | 5.081 | 42.45 |
| Columbia | 8855 | 505.59 | (169.34) | 9118 | 17.055 | .... | 6.47* |
| Coos | 15125 | 660.21 | (14.72) | 8534 | 20.704 | .... | (12.29)* |
| Crook | 2693 | 516.58 | (158.35) | 9965 | 13.978 | .... | 29.91* |
| Curry | 3647 | 584.38 | (90.55) | 10515 | 15.183 | .... | 19.60* |
| Deschutes | 8055 | 727.96 | 53.03 | 9303 | 20.705 | 1.517 | (2.92) |
| Douglas | 20274 | 520.30 | (154.63) | 11229 | 13.094 | .... | 38.68* |
| Gilliam | 696 | 1181.60 | 506.67 | 20016 | 15.255 | 6.541 | 61.91 |
| Grant | 1985 | 536.98 | (137.95) | 9401 | 16.202 | .... | 12.08* |
| Harney | 2014 | 890.69 | 215.76 | 11735 | 21.185 | 5.132 | 9.94 |
| Hood River | 3619 | 812.92 | 137.99 | 9572 | 23.310 | 3.957 | (5.12) |
| Jackson | 23450 | 640.60 | (34.33) | 8167 | 19.457 | .... | (6.67)* |
| Jefferson | 2647 | 807.22 | 132.99 | 21693 | 11.522 | 1.888 | 73.99 |
| Josephine | 9090 | 521.44 | (153.49) | 7400 | 17.918 | .... | 1.35* |
| Klamath | 12447 | 518.47 | (156.46) | 10494 | 12.295 | .... | 47.09* |
| Lake | 1877 | 485.93 | (189.00) | 15073 | 9.540 | .... | 90.35* |
| Lane | 53527 | 755.41 | 80.48 | 8437 | 22.461 | 2.398 | (8.48) |
| Lincoln | 6228 | 654.83 | (20.10) | 14547 | 10.885 | .... | 66.83* |
| Linn | 10770 | 710.13 | 35.20 | 19503 | 17.882 | .886 | 6.50 |
| Malheur | 6879 | 517.94 | (156.99) | 10458 | 14.693 | .... | 23.59* |
| Marion | 37711 | 561.91 | (113.02) | 7405 | 18.913 | .... | (3.99)* |
| Morrow | 1223 | 964.54 | 289.61 | 19989 | 13.215 | 3.968 | 67.44 |
| Multnomah | 114891 | 637.82 | (37.11) | 8341 | 15.782 | .... | 15.06* |
| Polk | 5933 | 959.77 | 284.84 | 7563 | 21.298 | 6.321 | 14.94 |
| Sherman | 580 | 1176.99 | 502.06 | 25278 | 12.619 | 5.383 | 86.56 |
| Tillamook | 4410 | 713.82 | 38.89 | 10919 | 16.078 | .876 | 18.39 |
| Umatilla | 11424 | 696.67 | 21.74 | 8743 | 20.265 | .632 | (7.27) |
| Union | 4822 | 620.61 | (54.32) | 8748 | 17.653 | .... | 2.87* |
| Wallowa | 1687 | 753.56 | 78.65 | 10713 | 9.457 | .612 | 98.40 |
| Wasco | 5164 | 772.22 | 97.29 | 21515 | 18.488 | 2.329 | 10.81 |
| Washington | 39444 | 806.45 | 131.52 | 8905 | 22.620 | 3.689 | (3.41) |
| Wheeler | 473 | 693.63 | 18.70 | 14332 | 12.391 | .334 | 49.25 |
| Yamhill | 11362 | 579.72 | (95.21) | 7763 | 21.097 | .... | (13.93)* |

a. Source: Table 1, page 5; Apportionment of the Basic School Support Fund for the Fiscal Year Ending June 30, 1971.

b. Note: Revenues from local property tax levies. Source: Table 1, page 5; Summary of Levies and Assessments and Analysis of City and County Property Tax Levies for 1970-71 Fiscal Year. Totals for each county ÷ column 2.

c. Column 4 = Column 3 — $674.93. Parentheses indicate negative amounts.

d. Source: Table 10, pages 48-9; Summary of Levies and Assessments.

e. Source: School District Tax Revenues (SDR), Table 1, page 5; Assessed Value (AV), Table 10, pages 48-9; Summary of Levies and Assessments. Column 6 = (SDR ÷ AV) x 1000.

f. Column 7 = [(Column 4 x Column 2) ÷ AV] x 1000.

g. Note: * indicates counties with per student expenditure below $674.93. Unmarked values are realized tax rate change from current rates for counties with Column 3 greater than $674.93; Column 8 = (Column 7 + 18.159 — Column 6) ÷ Column 6.

## OREGON LABOR FORCE

| Industry | Jan. 1972* | Dec. 1971† | Jan. 1971 |
|---|---|---|---|
| Civilian labor force | 935,600 | 948,100 | 906,200 |
| Unemployment | 63,600 | 59,600 | 72,500 |
| Unemployment as a percent of labor force | 6.8 | 6.3 | 8.0 |
| Workers in labor-management disputes | 100 | 0 | 0 |
| Total employment | 871,900 | 888,500 | 833,700 |
| Agricultural employment | 38,100 | 39,100 | 38,800 |
| Nonagricultural employment | 833,800 | 849,400 | 794,900 |
| Self-employed and domestics | 111,800 | 112,400 | 110,000 |
| Wage and salary‡ | 722,000 | 737,000 | 684,900 |
| Total manufacturing | 167,500 | 170,900 | 159,000 |
| Durable goods | 123,100 | 124,300 | 115,600 |
| Lumber and wood products | 68,000 | 69,100 | 63,000 |
| Logging and sawmills | 33,300 | 34,400 | 31,000 |
| Veneer and plywood | 25,400 | 25,400 | 23,900 |
| Other durable goods | 55,100 | 55,200 | 52,600 |
| Nondurable goods | 44,400 | 46,600 | 43,400 |
| Food and kindred products | 19,200 | 21,300 | 18,400 |
| Paper and allied products | 9,400 | 9,500 | 9,400 |
| Other nondurable goods | 15,800 | 15,800 | 15,600 |
| Mining | 1,200 | 1,200 | 1,100 |
| Contract construction | 28,400 | 29,700 | 24,100 |
| Transportation | 29,800 | 30,700 | 28,800 |
| Communication and utilities | 19,200 | 19,100 | 18,400 |
| Wholesale trade | 43,800 | 43,800 | 42,400 |
| Retail trade | 121,700 | 129,700 | 114,000 |
| Finance, insurance, and realty | 37,500 | 37,600 | 35,300 |
| Services and miscellaneous | 116,900 | 118,300 | 111,600 |
| Government | 156,000 | 156,000 | 150,200 |
| Federal | 24,700 | 25,400 | 24,500 |
| State and local education | 79,800 | 79,500 | 77,700 |
| State and local public administration | 51,500 | 51,100 | 48,000 |

* Preliminary. † Revised.

‡ Includes full- and part-time wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers, and armed forces excluded.

SOURCE: Oregon Employment Division, Research and Statistics Section, "Oregon Labor Force," one-sheet report, Feb. 1972.

## CONSUMER PRICE INDEX*
(1967 = 100)

| Month and year | Portland† All items§ | Portland† Food | U.S. city average‡ All items | U.S. city average‡ Food |
|---|---|---|---|---|
| 1970: July | 113.5 | 110.8 | 116.7 | 115.8 |
| October | 114.5 | 110.9 | 118.1 | 115.5 |
| 1971: January | 114.9 | 111.7 | 119.2 | 115.5 |
| April | 114.7 | 113.6 | 120.2 | 117.8 |
| July | 116.2 | 110.6 | 121.8 | 119.8 |
| October | 117.4 | 112.5 | 122.6 | 118.9 |
| November | | | 122.6 | 119.0 |
| December | | | 123.1 | 120.3 |

* Measures time-to-time changes in prices of goods and services purchased by urban wage earners and clerical workers, both families and single workers; does not indicate whether it costs more to live in one area than in another.

† Includes not only the city of Portland but the entire urban portion of Clackamas, Multnomah, and Washington counties in Oregon and of Clark county in Washington.

‡ Average of 56 "cities" (metropolitan areas and nonmetropolitan urban places).

§ Computed once every 3 months.

SOURCE: U.S. Bureau of Labor Statistics, *Monthly Labor Review*, various issues.

## BANK DEBITS AND BANK DEPOSITS IN OREGON
(thousands)

| County | Bank deposits 1971 | Bank deposits 1970 | Bank debits 1971 | Bank debits 1970 |
|---|---|---|---|---|
| Baker | $ 32,588 | $ 28,672 | $ 245,816 | $ 216,211 |
| Benton | 91,531 | 83,759 | 770,760 | 710,777 |
| Clackamas | 217,426 | 187,905 | 1,398,439 | 1,539,562 |
| Clatsop | 68,144 | 65,432 | 457,109 | 386,696 |
| Columbia | 48,645 | 45,401 | 249,693 | 221,706 |
| Coos | 117,715 | 105,431 | 636,907 | 572,619 |
| Curry | 32,456 | 28,459 | 231,717 | 186,522 |
| Deschutes | 73,845 | 64,940 | 575,219 | 455,413 |
| Douglas | 145,433 | 130,942 | 1,190,007 | 1,063,587 |
| Jackson | 183,105 | 163,086 | 1,690,475 | 1,379,306 |
| Josephine | 73,917 | 65,473 | 503,915 | 418,551 |
| Klamath | 82,404 | 78,044 | 728,832 | 683,872 |
| Lane | 370,229 | 305,685 | 3,786,224 | 3,462,262 |
| Lincoln | 58,819 | 51,028 | 300,433 | 263,323 |
| Linn | 134,084 | 120,256 | 1,088,521 | 1,017,420 |
| Malheur | 54,832 | 49,979 | 575,245 | 544,176 |
| Marion | 346,267 | 314,645 | 5,040,724 | 4,357,616 |
| Morrow | 13,832 | 13,160 | 111,073 | 102,631 |
| Multnomah | 1,995,622 | 1,788,209 | 41,280,740 | 37,442,435 |
| Polk | 26,225 | 22,216 | 233,850 | 215,791 |
| Tillamook | 39,063 | 35,535 | 207,152 | 185,079 |
| Umatilla | 86,909 | 80,553 | 655,841 | 584,037 |
| Union | 43,121 | 37,544 | 179,744 | 168,250 |
| Wasco | 50,045 | 45,665 | 316,922 | 289,347 |
| Washington | 227,633 | 199,219 | 2,377,947 | 1,839,825 |
| Yamhill | 79,960 | 72,562 | 532,923 | 476,870 |
| Crook | 25,852 | 20,622 | | |
| Harney | 18,464 | 16,650 | 365,030 | 327,080 |
| Lake | 19,662 | 18,236 | | |
| Gilliam | 7,638 | 7,435 | | |
| Jefferson | 18,166 | 15,193 | 177,408 | 157,576 |
| Wheeler | 3,570 | 3,424 | | |
| Grant | 14,901 | 13,639 | 343,482 | 136,290 |
| Wallowa | 16,901 | 15,053 | | |
| Hood River | 31,091 | 29,736 | 213,174 | 191,227 |
| Sherman | 4,663 | 4,196 | | |
| Oregon | $ 4,854,757 | $ 4,327,985 | $66,745,322 | $59,596,057 |

SOURCE: Bank deposits: Oregon Dept. of Commerce, Banking Division, *Annual Report*, 1970, and special report, Feb. 1972. Bank debits: original compilations of data collected monthly from officials of Oregon banks and branch banks by the Bureau of Business and Economic Research, University of Oregon.

## BANK DEBITS

### Bureau of Business and Economic Research, University of Oregon

Bank debits represent the dollar value of checks drawn against the deposit accounts of individuals and business firms and are considered good indicators of current activity. But their value for this purpose can be impaired if they include large checks used to transfer funds for the purchase of certain kinds of capital assets that are not "business activity." There are 48 corporate banking firms in Oregon; this month the Bureau of Business and Economic Research collected data on bank debits from 389 banks and branch banks.

| County | Number of banking offices reporting | Debits Jan. 1972 (thousands) | Debits Dec. 1971 (thousands) | Debits Jan. 1971 (thousands) | Percentage change Jan. 1972 Compared with Dec. 1971 | Percentage change Jan. 1972 Compared with Jan. 1971 |
|---|---|---|---|---|---|---|
| Benton | 7 | $ 67,628 | $ 76,003 | $ 64,521 | −11.0 | + 4.8 |
| Clackamas | 22 | 158,235 | 183,038 | 125,615 | −13.6 | +26.0 |
| Columbia | 8 | 22,292 | 25,991 | 16,915 | −14.2 | +31.8 |
| Coos | 10 | 46,627 | 60,138 | 49,143 | −22.5 | − 5.1 |
| Curry | 5 | 19,233 | 20,540 | 15,023 | − 6.2 | +13.1 |
| Douglas | 14 | 98,415 | 122,213 | 74,696 | −19.5 | +31.8 |
| Jackson | 29 | 147,187 | 165,932 | 109,278 | −11.3 | +34.7 |
| Josephine | 5 | 38,305 | 47,123 | 29,750 | −18.7 | +28.7 |
| Lane | 36 | 312,133 | 390,520 | 263,757 | −20.1 | +18.3 |
| Lincoln | 11 | 24,125 | 30,764 | 22,752 | −21.6 | + 5.9 |
| Linn | 16 | 95,347 | 108,941 | 81,256 | −12.5 | +17.3 |
| Multnomah | 83 | 3,536,618 | 4,067,282 | 2,904,019 | −13.0 | +21.8 |
| Washington | 28 | 218,836 | 272,214 | 166,387 | −19.6 | +31.5 |
| Yamhill | 10 | 44,254 | 48,959 | 38,919 | − 9.6 | +13.7 |
| Baker, Union, Wallowa | 9 | 44,134 | 51,781 | 38,393 | −14.8 | +15.0 |
| Clatsop, Tillamook | 11 | 50,394 | 54,828 | 44,280 | − 8.1 | +13.8 |
| Crook, Deschutes, Jefferson | 10 | 82,733 | 92,091 | 61,010 | −10.2 | +35.6 |
| Gilliam, Grant, Morrow, Umatilla, Wheeler | 17 | 76,515 | 87,717 | 70,661 | −12.8 | + 8.3 |
| Hood River, Sherman, Wasco | 8 | 42,328 | 49,272 | 39,894 | −14.1 | + 6.1 |
| Harney, Malheur | 8 | 60,597 | 74,811 | 56,941 | −19.0 | + 6.4 |
| Klamath, Lake | 10 | 70,320 | 78,070 | 58,919 | − 9.9 | +19.4 |
| Marion, Polk | 38 | 444,372 | 449,580 | 376,694 | − 1.2 | +18.0 |
| OREGON | 389 | $5,700,628 | $6,557,808 | $4,708,852 | −13.1 | +21.1 |

## BUILDING PERMITS

**Bureau of Business and Economic Research, University of Oregon**

Building permits are a report of plans rather than of construction in actual operation. Interpretation of these data must allow for time elapsed between the issuing of the permit and the beginning of construction. Data for the counties shown do not include data for those cities which are reported separately or for the 113 other reporting centers. The information has been collected by the Bureau of Business and Economic Research from departments in local governments.

| Reporting center | New dwelling units Jan. 1972 | New non-residential Jan. 1972 | Alterations additions and repairs Jan. 1972 | Totals Jan. 1972 | Totals Dec. 1971 | Totals Jan. 1971 |
|---|---|---|---|---|---|---|
| Albany | $ 245,748 | $ 51,965 | $ 2,785,532 | $ 3,083,245 | $ 626,012 | $ 316,522 |
| Ashland | 300,000 | none | 15,150 | 315,150 | 474,700 | 214,700 |
| Astoria | none | 1,250 | 11,900 | 13,150 | 125,137 | 6,275 |
| Baker | none | 250 | 24,402 | 24,661 | 57,600 | 66,000 |
| Beaverton | 378,222 | 707,500 | 5,400 | 1,091,122 | 363,833 | 521,010 |
| Bend | 82,500 | none | 21,250 | 103,750 | 316,600 | 366,000 |
| Coos Bay | 717,280 | 14,500 | 33,793 | 765,573 | 46,800 | 44,723 |
| Corvallis | 1,165,634 | 45,008 | 46,070 | 1,256,712 | 1,288,202 | 346,026 |
| Eugene | 1,841,474 | 168,640 | 229,425 | 2,239,539 | 1,983,537 | 1,599,858 |
| Grants Pass | 207,924 | 17,100 | 20,923 | 245,947 | 388,121 | 88,050 |
| Gresham | 689,410 | 159,406 | 5,750 | 845,566 | 436,870 | 149,366 |
| Hillsboro | 338,286 | 78,200 | 28,008 | 444,494 | 256,069 | 1,090,015 |
| Klamath Falls | none | none | 5,000 | 5,000 | 38,500 | 73,536 |
| La Grande | 58,580 | 29,956 | 14,000 | 102,536 | 37,400 | 17,314 |
| McMinnville | 102,600 | 1,570 | 42,457 | 146,027 | 218,737 | 143,560 |
| Medford | 771,816 | 4,700 | 385,700 | 1,162,216 | 627,285 | 378,046 |
| Milwaukie | 22,000 | none | 24,000 | 46,000 | 98,581 | 80,400 |
| North Bend | 108,860 | none | 13,897 | 122,757 | 163,315 | 202,120 |
| Ontario | 35,000 | none | 6,800 | 41,800 | 81,290 | 22,325 |
| Pendleton | 96,000 | 38,400 | 10,021 | 144,421 | 480,473 | 22,027 |
| Portland | 1,995,355 | 1,851,095 | 1,547,508 | 5,393,958 | 11,690,265 | 36,849,210 |
| Roseburg | 32,359 | 43,000 | 65,862 | 141,221 | 145,502 | 164,445 |
| Salem | 674,510 | 55,385 | 205,115 | 935,310 | 1,324,274 | 1,037,288 |
| Springfield | 1,966,743 | 1,178,824 | 39,862 | 3,185,429 | 480,190 | 461,378 |
| The Dalles | 19,000 | none | 7,000 | 26,000 | 294,450 | 60,388 |
| Tigard | 261,881 | none | 61,400 | 323,281 | 643,614 | 331,575 |
| Clackamas County | 2,435,606 | 939,482 | 67,600 | 3,442,688 | 2,894,311 | 2,187,827 |
| Clatsop County | 15,982 | 7,739 | 30,858 | 54,579 | 98,026 | 91,093 |
| Columbia County | 171,100 | 95 | 8,503 | 179,698 | 183,175 | 121,505 |
| Douglas County | 184,500 | 165,000 | 2,000 | 351,500 | 311,050 | 163,740 |
| Lane County | 857,247 | 22,089 | 195,304 | 1,074,640 | 1,208,713 | 856,588 |
| Linn County | 155,000 | 3,500 | 17,000 | 175,500 | 525,060 | 275,488 |
| Marion County | 1,640,440 | 123,650 | 101,491 | 1,865,581 | 1,013,710 | 830,342 |
| Multnomah County | 1,638,456 | 2,812,390 | 813,223 | 5,264,069 | 3,579,535 | 1,980,074 |
| Wasco County | none | none | none | none | 259,900 | 240,000 |
| Washington County | 1,910,927 | 28,990 | 105,550 | 2,045,467 | 2,422,406 | 1,588,683 |
| Yamhill County | 49,195 | 3,600 | 10,717 | 63,812 | 80,700 | 86,558 |
| 113 other reporting centers | 4,234,733 | 798,697 | 1,193,589 | 6,227,019 | 6,258,758 | 3,797,980 |
| OREGON | $25,395,048 | $ 9,351,990 | $ 8,202,360 | $42,949,398 | $41,522,401 | $36,902,224 |

*(continued from page 2)*

A final question concerns possible changes in land values that might be associated with tax rate changes mentioned above. An increase or decrease in tax rates could be expected to decrease or increase, respectively, relative property values. This in turn could alter the tax base in the affected counties by changing current market values. The crucial question raised by such changes is whether they are of sufficient magnitude to dissuade households and firms from locating in a particular area, which would, in turn, affect local levels of capital investment. Current assessment levels and anticipated changes are not of a magnitude to suggest that they are major factors in locational decisions.

The final decision regarding the best plan will probably be a composite of equity and efficiency considerations and political expediency. Several commentators have suggested that the U.S. Supreme Court will have the last word, and that the wait may be long. If, however, the impact of *Serrano v. Priest* is of the magnitude claimed, is it too soon to consider the effects it may have on us?

### REFERENCES

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